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FM AMEMBASSY RIYADH
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INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE PRIORITY
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SENSITIVE
SIPDIS

STATE FOR NEA/ARP, NEA/RA
STATE PASS TO USTR
STATE PASS TO DOC/BIS/OAC

E.O. 12958: N/A
TAGS: [ECON](#) [ETRD](#) [KBCT](#) [PREL](#) [SA](#) [IS](#)
SUBJECT: SAUDI COMMERCE MINISTRY WELCOMES ANTIBOYCOTT
COMPLIANCE OFFICE VISIT

REF: A. 09 RIYADH 1301
[1](#)B. 09 RIYADH 1382
[1](#)C. 09 RIYADH 1551
[1](#)D. DIPLOMATIC NOTE 09-175

Summary

[1](#)1. (SBU) Representatives from DOC's Office of Anti-Boycott Compliance visited Riyadh January 31 to discuss Saudi progress on reported Arab League Boycott requests. Saudi Arabia's compliance record has improved dramatically from 350 prohibited requests in 1994 to five prohibited requests in [1](#)2009. Deputy Minister for Foreign Trade Abdullah Al-Hamoudi personally met with the delegation, and demonstrated a detailed knowledge of outstanding complaints. Al-Hamoudi reiterated pledges made previously by Minister Alireza that the Ministry of Commerce and Industry takes all boycott-related complaints seriously. Al-Hamoudi committed to investigate all prohibited requests, and to be the point of contact on future complaints. End summary.

MOC reaffirms total SAG elimination
of secondary and tertiary aspects of boycott

[1](#)2. (SBU) Mr. Fred Davidson and Mr. Ned Weant from DOC's Office of Anti-Boycott Compliance visited Riyadh January 31 to discuss Saudi progress on reported Arab League Boycott requests. Deputy Minister for Foreign Trade Abdullah Al-Hamoudi personally met with the delegation, along with Director General for Industrial Research Ahmed Al-Sadhan and a representative from the Ministry's Boycott Office. Weant highlighted Saudi Arabia's compliance record, which has improved dramatically from 350 prohibited requests in 1994 to five prohibited requests in the first three quarters of 2009. Al-Hamoudi said the Kingdom had eliminated the secondary and tertiary aspects of the boycott, and affirmed that all government and private sector entities must enforce the law.

[1](#)3. (SBU) Al-Hamoudi acknowledged past requests, many of which were misunderstandings regarding the use of outdated forms, he said. The Kingdom is committed to continuing to work with the U.S. to investigate all requests, he said, noting that the U.S. is the Kingdom's top trade partner. Al-Hamoudi said he was surprised to receive a note from the Embassy (ref D), which lists prohibited requests from two companies. Noting one of the companies was a private entity headquartered elsewhere in the Gulf Cooperation Council (GCC) with a subsidiary in Saudi Arabia, Al-Hamoudi said his Ministry was investigating the request but needed more detailed information about the case. His Ministry sent a letter to the Ministry of Foreign Affairs in response to the Embassy's

note requesting additional information. Al-Hamoudi emphasized the elimination of secondary and tertiary aspects of the boycott was a Council of Ministers and GCC Summit resolution, "without question, it is the law."

Deputy Minister commits to investigate requests

14. (SBU) Given copies of the five prohibited requests from 2009, Al-Hamoudi carefully read each and responded, "we will investigate." He emphasized Saudi Arabia did not have a blacklist and although the Kingdom does have a restricted list, the list has been empty for some time. Al-Hamoudi quickly recognized one of the entities, Saudi Business Machines, used an old form that did not reflect current Saudi boycott policy. Saudi Arabia only imposes the primary aspect of the boycott, he said, and anecdotally explained that the small Israeli-made fuel filters in General Motors vehicles are acceptable as long as they are not shipped directly as spare parts.

15. (SBU) Regarding a medical equipment company's complaint that a Ministry of Health official made a verbal prohibited request, Al-Hamoudi said it would be difficult to make a case on a verbal request. Asked how to pursue the case, Davidson said it would be difficult to investigate and noted the Ministry of Health eventually finalized a deal with the medical equipment company in question. Al-Hamoudi instructed the Boycott Office to send a reminder to the Ministry of Health regarding Saudi Arabia's current Arab League Boycott policy. Asked for an appropriate point of contact on boycott issues, Al-Hamoudi said he would be the point of contact for all boycott-related complaints.

Comment

16. (SBU) The Deputy Minister's personal involvement and detailed knowledge indicates the Ministry of Commerce and Industry takes all boycott-related complaints including those from private sector firms seriously and is consistent with previous discussions on the topic (ref A, B, and C). Al-Hamoudi's commitment to investigate all prohibited requests, and to be the point of contact on future complaints, further reflects Saudi Arabia's high-level engagement on all of its GCC and WTO trade commitments. Saudi Arabia's willingness to investigate private entities is also a noteworthy indication of how seriously the SAG takes this issue, and the SAG's strong commitment to honor its commitments.

17. (U) This cable has been cleared by the delegation.

SMITH